



New Chinese Leadership in Saddle Challenges and Opportunities

Dr. Sheo Nandan Pandey

Prof. Hem Kusum

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Abstract

The generational change in Chinese leadership is a queer example of 'fixed match' among political factions. The two major groups in the fray, the Jiang Zemin led Shanghai Fèngxì and the Hu Jintao run Tuánpài have come to the deal against their future and present gains respectively. As the Xi Jinping and Li Keqiang duo in the top saddle have to do a lot to come to their own from the shadows of the third and fourth generations of leadership, the Chinese masses at home and the stakeholders in the world at large shall have to be wait and watch scenario for quite some time.

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ANALYSIS

Introduction

Succession smog in China's top leadership hierarchy has since thinned out. A close look on the outcomes of the 18th National Congress of the Communist Party of China (*Zhonggong Shibā-dà*) speaks aloud a queer story of 'fixed match' with a difference where factions (*Tuánpài*), gangs (*Bāng*) and cliques (*Fèngxi*) have had their share of the present and future political booty in a quite nuanced way. This was while 2270 Deputies of the Communist Party of China (*Zhongguo Gongchandang*) formally took part in a televised election process to elect the ruling elite for the next five years.¹ They represented 40 different electoral units.² Xi Jinping and Li Keqiang have made up for the much expected two top notches in the ultimate go. There is little repeat of either Lin Biao or Hua Guofeng events.³

For a perceptive China watcher, behind the cloak of orderly change of guard, there is a long story of inter and intra-faction bargains characteristic to an autocratic system bereft of democratic practices. In over all perspective, it has rather been an old wine in new bottle where system dynamics stemmed and flourished as a function his/ her relationship (*guanxi*) with the power in saddle' and hence, Princelings (*Taizé*) constantly stood a better chance over all and sundry (*lǎobǎixìng*) in the run up for socio-economic and political climbing.⁴ A field day for factions (*Tuánpài*), gangs (*Bāng*) and cliques (*Fèngxi*) in the Chinese political arena is thus, a rule rather than an exception. Notwithstanding, again for historical reasons, the People's Liberation Army (PLA) have had constantly played a critical role in leadership change.⁵

The paper, in its perspective, explores the individual and group legitimacy of the line up as heir apparent and beyond. The analytics, accordingly, peeps into the relative strength of *guanxi* of individuals and the group as *Taizé* with and/ or without their personal aura while in public services. The assumptions look beyond the general refrain to treat Chinese political system a rather frozen entity. While much awaits down the line, the Chinese citizens now enjoy relative freedom of choice on such matters as where they can live, where they can

¹ The 1st National Congress of the CPC, held from July 23-31, 1921 had just 12 Deputies, representing 50 Party members. The number of Deputies didn't reach even 100 mark until the 6th National Congress. The total membership was just 40,000. The number of Deputies and the total membership swelled to 547 full and 208 alternate members with total membership crossing 1.21 million in the 7th National Congress held in 1945.

² 40 electoral units included 31 Provinces, Autonomous regions and Municipalities. There are six other constituencies which comprise of the PLA, the Central Party Organization, the Central Govt. Ministries and Commissions, the State Owned Enterprises, the People's Bank of China and other Financial Institutions and hypothetically the Republic of Taiwan. Hong Kong and Macao delegates are counted as part of Guangdong electoral unit. The rest other electoral units are made up of Deputies representing People's Armed Police, Social Management Groups, the Public Service Sector workers in private enterprises, and workers in foreign and joint enterprises. They make over 3.89 million grassroots units of the CPC, the total membership of which has since grown to 82.0 million. In a country with a total population of 1.347 billion, the choice of 82 million people, even if represented thoroughly and perfectly, is a minuscule representation of the people in a democratic setting.

³ Lin Biao symbolizes too aggressive or self aggrandizing while Hua Guofeng happened to be ineffective. Both of them were choice of Mao Zedong. Once suspected of threatening the ruling base of paramount leader Mao Zedong, he ended up in a plane crash. Hua Guofeng formally succeeded Mao Zedong in 1976. He was literally ousted once proved ineffective in the eyes of power in saddle.

⁴ Relationship is rather a loose translation of the word '*guanxi*'. In China's basic socio-cultural context, *Guanxi* is a system of '*renqing*' (favours), in which obligation and indebtedness are manufactured, and in which there is no time limit for repayment. By cultural instincts, the Chinese would always return '*renqing*'. One can thus, look at '*renqing*' as the exchange currency to cultivate '*guanxi*'. As a thumb rule, the more '*renqing*' one accumulated, the person was better poised get in return in career progressions.

⁵ In 1930's, Mao Zedong succeeded in taking over the rein due to his control over Red Army. Deng Xiaoping did as well work out the PLA backings: First, in getting over *siren bang* (Gang of Four) in leadership strife and then for crushing the Democracy Movement of 1989. The PLA had played no smaller role in installing Jiang Zemin either.



travel, what they can wear, what they can read, where they can work, and where they can be educated. There is since change in the age and educational characteristics of the leaders in the line up. As a result, not until they meet the fate of host heir apparent of yesteryears, the line is broadly expected to rise to the occasion. It is quite another thing that their propensities to respond to the challenges of different sorts in regional and global contexts would remain open to turn of events, as they come and evolve. Approach of the study is rather 'interpretive in nature and character' and draws on wide range of secondary sources. The audiences in view include decision makers in perspective besides the general readership.

Factional War and the End Winners

Placement of Xi Jinping and Li Keqiang at the helms to succeed Hu Jintao and Wen Jiabao respectively happened to be a post script of in-house power play and compromises of various *Tuánpài*, *Bāng* and *Fèngxì* in China's recurrent political life. Among the individual players, Jiang Zemin is the winner with five protégé ultimately making over in the seven member top decision making body of Politburo Standing Committee.

Xi Jinping, China's real power in saddle with a control over the party, the armed forces and the executive happens to be one of the paramount *Taizé* (Princelings).⁶ While being a protégé of former PRC President Jiang Zemin, former PRC Vice President Zeng Qinghong and other prominent figures of the Shanghai Clique, he draws on his strong PLA heritage and backing.⁷ As Vice President, he has had earned impressions of a consensus builder in the party hierarchy, and votary of relative openness in China's political and economic life. His major challenge remains to acquit reasonably well as a 'decisive man'.

Li Keqiang, the second man in calling, is linked with Hu Jintao and his Youth League (*Tuánpài*).⁸ In normal condition, he is supposed to replace Wen Jiabao at the 12th National People's Congress slated for March 2013. However, for an array of reasons including his non-Princeling backdrop, it was possible that takes over the Chairmanship of National People's Congress (*Quánguó Rénmín Dàibiǎo*), and the Premier of the State Council passes on to a joint protégé of Jiang Zemin and Zhu Rongji, possibly Wang Qishan, one of the five other selected members of Politburo Standing Committee.⁹ Li Keqiang has otherwise backing of at least 86 of the 371 member Central Committee.

Li Keqiang has a penchant for populist economic policies such as employment generation, basic health care, balancing regional development, and clean energy. Notwithstanding, he is believed to be the brain behind the

⁶ Xi Jinping has since succeeded Hu Jintao as the General Secretary of the CPC at the 18th National Party Congress. He will take over the rein of the President in March 2013 and Chairman of the Central Military Commission in 2014. For graphic personal details, see Liang Jian 梁剑 *New Biography of Xi Jinping* (习近平新传 New York: Mirror Books, 2012); and Wu Ming 吴鸣 *Biography of Xi Jinping* (习近平传 Hong Kong: 文化艺术出版社, 2008).

⁷ Son of Xi Zhongxun, founder of a Chinese guerilla army base in the Northwest of China during the period leading up to the CPC's capture of power in 1949, and husband of Maj. Gen. Peng Liyuan, a famous Chinese folk singer, and having served PLA in various capacities including personal assistant to the then Chinese Defence Minister Geng Biao, Xi Jinping carried strong inter-group backing in his appointment to the top post. Nevertheless, With market friendly approach, he draws support from Chinese big business houses, too. As for political insights, he is considered least liberal and hence, a chip of the old Marxist block.

⁸ *Tuanpai* (团派) in China have come to be referred as being 'Populist' faction as against 'Elitist', who come from relatively humble background and have come to rule the roost through the power structure from the grassroots. They prevail upon by dint of their educational probity and the acumen to sail along.

⁹ In Chinese vernacular press, Li Keqiang (李强) has come to be contrasted against the charisma factor of Wen Jiabao and toughness of Zhu Rongji in the face of multitude of issues faced in day-to-day handling of China's political and economic life, in particular those posed by vested corporate interests groups.



World Bank China 2030 report that recommended to put a limit on the 'power of State Owned Companies. In the eyes of Bo Zhiyue, an academic with the National University, Singapore, Li Keqiang is more focused a leader than Wen Jiabao. However, in the assessment others, both Chinese and others, to quote pertinently Washington Post columnist Keith B. Richburg, the modest birth of Li Keqiang was veritable hurdle in the implementation of his lofty ideals.¹⁰ In the words of Victor Gao, one time English interpreter of Deng Xiaoping, as quoted in News Stream, CNN, for success, Li Keqiang has to learn to be an "effective second fiddle" to Xi Jinping.¹¹

As for Wang Qishan, in the contrast, he can veritably count upon his heritage.¹² Son of an academic of Qinghua University, and son-in-law of Yao Yilin, a former Politburo Standing Committee Member and Vice Premier, he has deep root in Zhongnanhai's politics. His close comrade-in-arms relationship with Jiang Zemin's son Jiang Mianheng is an added advantage. Most critiques on Wang's preferences and priorities speak of him as an ardent advocate of find state monopoly. It remains to be seen how he strikes balance with those who seek to promote private sector. Scholarly studies in the field find him a likely 'drummer for liberalization of China's financial system, and tax-revenue reforms'. In the eyes of Johnny Lau Yui-siu, a veteran China-watcher, the reputation of Wang Qishan as a 'troubleshooter' can perhaps stands him stead in his upward movements.¹³ His positioning as discipline watchdog, as Bo Zhiyue, senior research fellow at the National University of Singapore's East Asia Institute would like to see, was a 'huge waste' of his strength. Most analysts including Bo Zhiyue otherwise holds him good in his 'banker's job'.¹⁴

Tuánpài proximity with Hu Jintao has been a factor in the meteoric political career of Liu Yunshan who otherwise has a rather lackluster heritage in comparison and contrast with most of the Chinese political heavy weights of the day.¹⁵ In the opinion of most journalists, in particular Cheng Yizhong, the former Chief Editor of *the Southern Metropolis Daily*, with Liu Yunshan at the helms, "the control on ideology will only get tougher".¹⁶ There is then sobering thought from some, to name in particular Chen Zeming, a Beijing based political commentator. In his opinion, Liu Yunshan was a "bureaucrat", and he "wouldn't have any direct hand in the control of ideology."

Zhang Dejiang is a Princeling, born to Maj. Gen Zhang Zhiji and a protégé of Jiang Zemin. He belonged to Shanghai *Fèngxi*. In the estimation of some of the critiques such as Dong Liwen, a professor at Central Police University, Taiwan, "Zhang Dejiang is a key figure in Jiang's power-succession strategy for the 18th party congress".¹⁷ "Opportunism is one of the common political characteristics of the Shanghai gang," Dong said. "To maximize their political interests, their ideology is always swaying between that of the leftists and the rightists,

¹⁰ <http://chinadigitaltimes.net/2012/11/li-keqiang-liberalbackgroundlimited-leeway/> (accessed on Dec 1, 2012)

¹¹ <http://newstream.blogs.cnn.com/2012/11/15/li-keqiang-china-effective-second-fiddle/> (accessed on Dec 1, 2012)

¹² For biological details of Wang Qishan, see Guo Qing 郭晴 *From Yao Yilin to Wang Qishan* (从姚依林到王岐山) Hong Kong: 见大出版社 (2009).

¹³ Austin Ramzy, Time, Nov. 15, 2012, "Meet the Men Who Will Rule China", <http://www.world.time.com/2012/11/15/chinas-new-leader-meet-who-will-rule/slide/wang-qishan/> (accessed on Dec 1, 2012)

¹⁴ <http://www.bloomberg.com/news/2012-11-14/xi-li-named-to-communist-party-panel-clearing-way-to-top-posts.html> (accessed on Dec 1, 2012)

¹⁵ Early career of Liu Yunshan (刘云山) included the job of a school teacher in Inner Mongolia and manual labour in the countryside during the *Wenhua Da Geming* (the Great Cultural Revolution) days. Marriage of his son Liu Lefei with the daughter of *Tuánpài* heavy weight Jia Chunwang is considered a shot in his arms.

¹⁶ Thanks to strong propagand regime, China ranked 174th in Reporters without Borders' press freedom index in 2011-2012, ahead of only Iran, Syria, Turkmenistan, North Korea and Eritrea.

¹⁷ South China Morning Post, Nov 26, 2012 <http://www.scmp.com/news/china/article/1030269/zhang-dejiang-rise-iron-fisted-enforcer> (accessed on Dec 1, 2012)



combining hard and soft tactics." In the eyes of Prof. Yang Kaihuang of Ming Chuan University, Taiwan, Zhang Dejiang's iron-fisted problem solving skills, displayed over and over again, the latest being his eight months long post-Bo Xilai tenure in Chongqing, perhaps stood him stead for the nomination.¹⁸

But for comparative disadvantage of age, as most analysts see, Yu Zhengsheng was worth watch future leader of China for a variety of reasons.¹⁹ He is first, a Princeling with a difference.²⁰ In China's political dynamics, one can't lose sight of the fact that he enjoyed confidence of Deng Xiaoping as well as Jiang Zemin. Nevertheless, his writ run high in the People's Liberation Army (PLA) by default of his wife Zhang Zhikai being the daughter of Maj. General Zhang Zhenhuan. Diminutives in his career graph, if any and whatsoever, included his much talked links with Liu Zhimin, who was dismissed on corruption charges. The blowing up of "shared mistress" in the yesteryears of his career does as well stand a blemish.²¹ Considering all factors, some of the Chinese and foreign analysts consider Yu Zhengsheng to hold strong chance to end up as Chairman of the People's Political Consultative Conference (CPPCC). Yu Zhengsheng's hot-button policy issues may possibly include the promotion of the private sector, urban development, legal development, and social reform to promote confidence-building and mutual trust in society.

Zhang Gaoli, the seventh star in the line up of future Chinese decision makers, is a protégé of Jiang Zemin as well as Zeng Qinghong. While Party Chief of Shenzhen, he showcased Jiang Zemin's famous adage of theory of three represents (*Sāngè Dàibiǎo*).²² Jiang has thus, paid back the favour by supporting his candidature. In the studied opinion of some analysts, Zhang Gaoli has had privilege of Zeng Qinghong's pleasure even earlier say first, in getting the post of Governor of Shandong, and one year later, Party Secretary of Shandong. By training, he is a reputed statistician. For strategic reasons, Zhang Gaoli maintains a low profile.²³ It is thus, difficult to gauze his moves.

In the factional fights, Shanghai *Fèngxì* led by Jiang Zemin has thus, clearly scored over Hu Jintao's faction, and the *Tuánpài*. Zeng Qinghong has quite obviously joined hands with Jiang Zemin for the nomination of his protégé. At the end of the day, Jiang Zemin's Shanghai *Fèngxì* pocketed five out of seven minds say Xi Jinping, Zhang Dejiang, Yu Zhengsheng, Wang Qishan, and Zhang Gaoli. But for Zhang Gaoli, all others are Princelings. Hu Jintao's *Tuánpài* could manage to have two non-Princelings-Li Keqiang and Liu Yunshan. This is perhaps under a deal. Hu Jintao's *Tuánpài* has perhaps conceded against a future gains. This is apparent when one looks at the factional composition of 25-member Politburo, a *de facto* layer below the Standing Committee, and, a

¹⁸ Ibid

¹⁹ For detailed account of his family and other connections, see Gao Yuanpeng 高原鹏 *Yu Zhengsheng and His Family* (俞正声和他的家族 New York: Mirror Books, 2009); Wang Yaohua 王耀华 *Competition among Provincial Chiefs* (诸侯争锋 New York: Mirror Books, 2009), pp. 133–196; and Gao Xin 高新 *The New Leaders Who Run China* (领导中国的新人物 New York: Mirror Books, 2003), Vol. 2, pp. 624–658.

²⁰ Yu Zhengsheng (俞正声) has incomparable ancestry at his back. Besides the fact that his own uncle Yu Dawei once served as Defence Minister of China under Chiang Kai-shek and legendary Madam Jiang Qing, the third wife of Mao Zedong who later led the Gang of Four happened to be none but his step mother. Before defecting to the United States of America in late 1980s, his elder brother Yu Qiangsheng served as China's Defence Minister.

²¹ See Jiang Weiping 姜维平 "What Does Liu Zhimin's Downfall Mean?" (刘志军落马说明了什么?), *China in perspective* (纵览中国), February 13, 2011, <http://www.chinainperspective.com/ArtShow.aspx?AID=10125>; and Luo Changping, "Public nepotism" (公共裙带), *Caijing* magazine, No. 4, February 14, 2011

²² The idea of *Sāngè Dàibiǎo* (three represents), initiated by Jiang Zemin in 2000, was an ideological justification for the priority given to the private sector in China's economic development and for allowing entrepreneurs to be members of the communist party.

²³ For detailed discussions on the issue why Zhang Gaoli sports a low profile, see Robert Lawrence Kuhn, *How China's Leaders Think* (New York: John Wiley & Sons, 2010), pp. 229–231.



rung of power below that, among the 376 members of the Central Committee.²⁴ In the battle of wits in months long haggling and bargaining, thanks to startling disclosures of his family making good of his position in amassing wealth, Wen Jiabao, himself rather a progeny of Jiang Zemin led Shanghai *Fèngxi*, had visible little say.

Maneuvers and Machinations of Chinese Characteristics

In the internecine war of political power, Jiang Zemin's Shanghai *Fèngxi* succeeded in outpacing the stride of its 'rival apparent', the Hu Jintao led *Tuánpài* in making good five of the seven positions in the Politburo Standing Committee. Relative strength of Shanghai *Fèngxi* is even more pronounced in the exclusion of Liu Yuandong, Li Yuanchao and Wang Yang. It is but a reassertion of China's political culture where connections (*guanxi*) outweigh all other factors in vertical rise in political career.

Thanks to the Bo Xilai factor, it was not a fight to finish. The two sides rather ended up in a compromise. This is *inter alia* demonstrated from the fact that Hu Jintao's *Tuánpài* is since basking glory with nine protégé in the 25 member Politburo, a *de facto* layer below the Standing Committee.²⁵ Similarly, a rung below it, the 376 member Central Committee, Hu Jintao's *Tuánpài* has better representation. Hu Jintao's protégés are also well represented on the Party's Central Military Commission (*Zhōngguó Gòngchǎndǎng Zhōngyāng Jūnshì Wěiyuánhui*).²⁶ As one could see, provided the Chinese political system doesn't undergo much expected metamorphosis, Hu Jintao's protégés stand a better chance even in the subsequent 19th National Congress.

Strikingly, away from the public gaze, the PLA played its innings quiet potently. Until long, it exhibited its prowess direct and crudely. This time, it has notably been indirect and in sophisticated manner. The reasons are not hard to find. All through 1930s, 1940s, 1950s, 1960s and part of 1970s, when Mao Zedong reigned supreme, or thereafter when Deng Xiaoping came to roost, the PLA went whole hog and hand-in-hand, of course as an instrument of the Party. In the bargain, when seen in its perspective, the PLA have had its pound of flesh, both in pomp and power. This is besides concerted efforts first, by Deng Xiaoping and then subsequent leadership to limit political role of PLA. Change in the operational control has been the prime vehicle. While military policy originated at the ends of the Political Bureau and/ or the CMC, it got to attain and acquire operational form and shape at the level of General Staff Department (GSD), and subsequently flowed down to main force units through military regions.

In turn, the PLA often chooses to take wind out of the sails of its political masters in a concerted way. In public space, the PLA personnel, both acting and retired, would often take up issues of general concern. It included much needed reforms of the political system, corruptions in public life and the objective necessity for strong

²⁴ The 376 members Central Committee of the CPC is made up of 205 regular and 171 alternate members.

²⁵ There is no fixed norm about the size and composition of either the Politburo or its Standing Committee which rule the roost in political governance of China. It has been largest ever during the spell of Hu Jintao. In the 16th (2002) and 17th (2007) Central Committee, the Standing Committee was composed of as many as nine members. The size of the Politburo then ran to 25 members. In the recent past, the 13th Central Committee is characterized for smallest size. The Standing Committee was then composed of just five members. The Politburo then had 17 full and one alternate member. The size of the Standing Committee increased to seven in the 14th (1992) and 15th (1997) Central Committee under the reign of Jiang Zemin.

²⁶ Hu Jintao has relinquished the Chairmanship of Central Military Commission (CMC) of the Communist Party of China (CPC) while retaining the Chairmanship of the CMC of the People's Republic of China (PRC). As both commissions are identical in membership, it is hard to distinguish their prowess. CMC of the PRC is normally referred as State CMC, and the Chairman is elected by the National People's Congress (NPC). Xi Jinping has thus, to wait for his election by NPC which is due in March 2013. In China, the Chairman of the State CMC is both *de facto* and *de jure* Commander of the Armed Forces.



political leadership to meet the challenges of time. Of scores of stories making rounds, there is much talked about example of Lt. Liu Yazhou, who predicted Soviet Union style collapse unless the PRC went ahead with whole hog reforms of the political system.²⁷ In similar vein, on the state of corruptions, among others, Lt Gen. Liu Yuan went public in predicting defeat and destructions of otherwise invincible Chinese armed forces due to corruptions.²⁸ Incidentally, the outpour of the PLA General had come just when Lt Gen Gu Junshan, the then Deputy Chief of the PLA's General Logistics Department had come under fire on the charges of corruptions and the investigations were half way through.²⁹ These public statements of the PLA brass were characteristically public bargains to nudge policy instruments. "Combating corruption and promoting political integrity" must not otherwise have been the main theme of the "state-of-the-nation" address of Hu Jintao.³⁰

Meantime, as one could see in the past couple of years, while keeping the political leadership out of loop, the PLA has been carrying out some sort of strategic moves to show its prowess and preponderance in decision making. It was often intended to a score a point, be it foreign policy and/ or domestic policy. In the recent past, as and where the PLA personnel did not find the top political leadership on the same page, they have gone on venting their disgust openly. Trend study bears out interesting features. It could sometimes happen in stray write up in the news papers. In certain cases, the PLA brass made best of it in a public forum.³¹ On the opposite, in this leadership transition, thanks its bargain weights, once the PLA struck treasure trove in getting as many as two slots first, Xi Jinping, the epitome of China's political and military powers, then Zhang Dejiang, another PLA cohort of go getter fame in China's political world.

Even as there is much yet to come out in public, there is quite a lot for perceptive China watchers to gauge impact of PLA factor much less hands in leadership transition. For much of historical past, in particular when Jiang Zemin and earlier Deng Xiaoping held the Chairmanship of the CMC of the CPC, it didn't change hand with effect. Hu Jintao abdicating Chairmanship of CMC of the CPC in favour of Xi Jinping thus speaks of PLA pressure. An oblique testification of the hypothesis comes from this unprecedented event, and the PLA losing no time to pledge its unfettered obedience to Xi Jinping.³² Perceptive China watcher can't perhaps lose sight of the unstated glee in the wordings of the spokesman of the PLA., borne of its pull and pressure strategy to get two slots in the seven men top decision making body of Politburo Standing Committee.³³ Beginning 1979, Xi Jinping

²⁷ John Garnaut, "Rotting from Within", Foreign Policy, April 16, 2012

http://foreignpolicy.com/articles/2012/04/16/rotting_from_within?wp_login_redirect=0 (accessed on Dec.4, 2012): as also see China Leadership Watch, April 12, 2012 which refers his interview with Phoenix TV, Hong Kong, on the issue. (accessed on Dec.4, 2012)

²⁸ Quoted Ray Wong, "No Country Can Defeat China, says PLA General", Forbes, April 17, 2012

<http://www.forbes.com/sites/raykwong/2012/4/17/no-country-can-defeat-china-says-pla-general/> (accessed on Dec. 4,2012)

²⁹ <http://www.wantchinatime.com/ews-subclass-cnt.aspx?id=20120202000101&cid=1101>

³⁰ <http://www.ecns.cn/2012/11-08/34362.shtml> (accessed on Dec.4, 2012)

³¹ Of scores of incidents, the latest one related to Lt. Zhang Qinsheng 章庆生 Deputy Chief of General Staff lashed out Hu Jintao in public in the course of Lunar New Year party. This was against backhanded policy to keep him out of the Central Military Commission. In another instance, Lt. Gen Li Jinai 李继 then a member of the Central Military Commission and the Director of the PLA General Political Department, wrote a front page editorial in PLA Daily to criticize the Party for its stated wrong notions.

³² Hu Jintao relinquished the Chairmanship of the Central Military Commission of the Party and handed it over to Xi Jinping the very day the latter assumed the Chairmanship of the Party. This is against all precedence, the most immediate being that of Jiang Zemin who had retained it for over two years. In an editorial, the People's Liberation Army said, "At any time and under any circumstances, the PLA will take orders from the party centre, the military commission, and commission Chairman Xi Jinping." Hu Jintao could have otherwise retained the position of Chairman of Central Military Commission until 2014.

³³ Close connections of Xi Jinping (习近平, son of Xi Zhongxun (习仲勋) with the PLA ensues from two different sources: first, his close ties with Jiang Zemin (江泽民, former chairman of the CMC and president of China; and second, the support of Jiang's loyalists in the PLA, in particular Guo Boxiong (郭伯雄, Xu Caihou (徐才厚, and Jia Ting'an (贾廷安. Xi is, besides, close to a number of Princeling Generals in the PLA, including Liu Yuan (刘源, Liu Yazhou (刘亚洲, and Zhang Haiyang (张海阳



have had a long active service with PLA in various concurrent capacities, in particular in Fujian and Zhejiang Military Districts under Nanjing Military Region before ascending to the high pedestal of the CMC, first as Vice Chairman in 2010 and then now as Chairman.³⁴

In innocuous perspective, it could first, entail better deal in resource allocation, fueled by quite a few ambitious defence development programmes. This can be over and above committing double digit growth in tandem to its continued spree of growth in gross domestic product (GDP). Last year, China unveiled its Chengdu J-20 Stealth Fighter Jet programme, which could quite possibly into service in 2017-19. It has since set up a land based anti-ship missile system. Over and above the fleet of 50 and odd diesel submarines, it has gone for five nuclear powered Jin Class (Type 094) ballistic missile submarines. This is besides developing an array of advanced precision guided munitions, anti-satellite and cyber warfare capabilities. The hypothesis is substantiated, if not testified by stated views of quite a few think-tank including Zhao Chu, who hailed positioning of Xi Jinping at the helms for obvious reasons as harbinger of “better coordination between the party and the military”. The ground realities of the time alone would tell the hard truth.

Scott Kennedy speaks of growing influence of ‘business lobbying’ in China.³⁵ Steven M. Davidoff testifies it in almost same vein.³⁶ According to him, political connections in China had since become ‘quickest path to riches’. In this backdrop, the scope of *quid pro quo* in China’s political and business lives was a rule rather than exception. The *modus operandi* in vogue included use of network of patrons to get lion’s share of business opportunity by 400 and odd chambers of commerce at national level and scores of them at local levels. This is true for all sets of the Chinese business enterprises, irrespective of being domestically or foreign funded.

While there is yet little in public domain, the scrutiny of some of the Chinese Blogs over the period tends to lend veritable proof of backdoor pestering by quite a few business bigwigs, some of whom figure in *Hurun Rich List* of 271 billionaires.³⁷ Notwithstanding, if one believes in the stories in quite a few Chinese Blogs, for their known economic prowess, and political clouts, those who should have had cast influence in the election process of this 371 members Central Committee in general and the 25 members Politburo, leave aside the all powerful seven member Politburo Standing Committee included an array of business units that figure in the ‘2012 Fortune 500 Companies’. Interestingly, the criterions, in all such cases were just ‘pliability’ and ‘proximity of interests’.

Hopes and Despair Galore

While in saddle, Xi Jinping and Li Keqiang duo now stand face to face to steer clear myriad of swamp bequeathed unwittingly and/ or otherwise by the outgoing leadership before they could testify their mark. In the eyes of Qian Gang, an expert in the field of textual analysis, to the worst chagrin of the incumbents, the outgoing Hu Jintao and Wen Jiabao combine have since bound their hands and feet on the issue of ‘reform and

³⁴ http://www.chinavitae.com/biography/Xi_Jinping%7C303

³⁵ Scott Kennedy, *The Business of Lobbying in China*, Harvard University Press, 2005

³⁶ Quoted William Alden <http://dealbook.nytimes.com/2012/10/26/wealth-and-politics-converge-in-china/>

³⁷ The *Hurun Rich List* (胡润榜单) released on Sep 24, 2012 saw 20 of 271 Chinese with more than US\$1 billion net worth in 2011 list suffering slide down US\$ 1 billion as a result of the economic slow down. Of the top 1000 of the *Hurun Rich List*, as many 469 saw their wealth shrink, of which 37 suffered shrinkage by over 50%. However, there were 291 who saw their wealth grow. <http://www.hurun.net/user/NewsShow.aspx?nid=349>



opening up' (*Gǎigé Kāifàng*).³⁸ The crux of the 64-page document, laid down on the table of the 18th National Congress that constituted the mainstay of Hu Jintao's 100 minute keynote address on the occasion, captioned, "Firmly March on the Path of Socialism with Chinese Characteristics and Strive to Complete the Building of Moderately Prosperous Society in all Respects" stand a clear testimony.³⁹

Most formidable challenge to China's political monolith political system, as Hu Jintao acknowledged in his said address, stemmed from rather "pandemic corruptions" (*quán guó liú xíng de tān wū*). A candid acceptance of this hard fact had earlier come in the address of Wen Jiabao to the State Council in late March 2012.⁴⁰

The exasperations of these two top functionaries of the Chinese political system as such didn't come out of blue. Way back in 2003, when the 10th National Committee of the Chinese People's Political Consultative Conference (CPPCC) was in session, Xie Yong, a newly elected member had gone on record to say that corruption had then 'spoiled the image of the party and government' and could 'harm the reform and construction of the country'.⁴¹ All this had then come about in the wake of unsavoury revelations in a joint study of the Chinese National Conditions Research Centre (NDRC) of the Chinese Academy of Sciences (CAS) and Tsinghua University under the caption, "Characteristics and Development Trend Research on Chinese senior Officials."⁴² Minxin Pei held the maze 1200 and odd 'spotty and ineffective' anti-corruptions Chinese laws responsible for the situation where the direct cost of corruptions then ran to over US\$86 billion while indirect costs in terms of inefficiency, waste, and damages to environment, public health, education, credibility and morale were incalculable.⁴³

Going by the account of Col. Liu Mingfu, the author of the book, "Why the Liberation Army Can Win", leave apart the civilian organizations, even the PLA is in deep throes of corruptions. This is despite Herculean efforts in the past couple of years to stamp out the sickening malaise. If only some one takes the authenticity of a report of the Chinese Central Commission of Discipline Inspection (CCDI), it got into investigation of 643,759 cases in a spell of past 5 years between Nov. 2007 and June 2012. There should have been several multiples of cases.⁴⁴ No wonder, in the Transparency International's Corruption Perception Index, the PRC shares the cudgels with countries such as Serbia, Trinidad and Tobago etc. 80th slot out of 176 countries. While little conclusive but reports in public domain tend raise fingers on the probity of some of top new leaders both outgoing and in saddle.⁴⁵ There is thus, a real life litmus test for the new leadership to come out fair and square much less effective in combating corruptions.

³⁸ Quoted *The New York Times* http://www.nytimes.com/2012/11/09/world/asia/hu-jintao-exiting-communist-leader-cautions-china.html?pagewanted=all&_r=0

³⁹ http://en.ce.cn/subject/18cpc/18cpcf/201211/18/t20121118_23857689.shtml

⁴⁰ Tong Hao and Zhao Yanan, China Daily, March 27, 2012 http://www.china.daily.com.cn/cndy/2012-03/27/content_14818830.htm (accessed on Dec. 10, 2012)

⁴¹ <http://www.chinadaily.com.cn/english/2003/Mar/57418.htm> (accessed on Dec 12, 2012)

⁴² <http://www.chinadaily.com.cn/english/2003/Jun/66715.htm> (accessed on Dec 12, 2012)

⁴³ Minxin Pei, *Corruption Threatens China's Future* Carnegie Endowment, Policy Brief No.55, October 2007

<http://www.carnegieendowment.org/2007/10/09/corruption-threatens-china-s-future/g4> (accessed on Dec 17, 2012)

⁴⁴ John Chan, "China's Leadership Announces New Anti-corruption Campaign", World Socialist Website, International Committee of the Fourth International (ICFI) <http://wsws.org/en/articles/2012/11/chin-n27/html> (accessed on Dec. 17, 2012)

⁴⁵ Outgoing Chinese Premier Wen Jiabao has been under fire ever since an article in New York Times spoke of net worth of his family since touching US\$ 2.7, and alleging big connections as the source of all that riches. In the same vein, unconfirmed reports in public domain suggested Xi Jinping family to have made fortune worth hundreds of millions, primarily business connections in the fields of minerals, particularly rare earth, real estate and mobile phones. Bloomberg reports stand very specific about his family ownership of hillside villa worth US\$31.5 million and six other Hong Kong properties. Among gainers of his position in China's public life included his 63 year's old elder sister Qi Qiaoqiao and her 61 years old husband Deng Jiagui besides 33 years old daughter Zhang Yannan.



There are nonetheless challenges to go full drive on scores of issues. It included reorienting the economic growth model which once brought China on the world scene and now spelled doom.⁴⁶ Besides calling a day to exchange rate manipulations, it will have to get to 'domestic consumption and innovation' driven mode to physical 'infrastructure and export' driven growth and development model with particular thrust to 'knowledge economy and service industries'. Meanwhile, China will have to bid a good bye to state monopoly over several sectors while empowering civil society with free flow of information to augur a worthwhile innovation oriented market economy. Nonetheless, it will have to institutionalize 'rule of law' lest the long standing rein of 'systematic abuse of privileges and power' should frustrate all well meaning measures. Addressing social discontents and promoting political pluralism were the much needed resort. Stuck with what scholarship in the field call 'path dependency', it is hard to imagine that the Chinese leadership could make a dent in foreseeable time.

The hangover of Hu Jintao- Wen Jiabao epoch in the realm of foreign policy is equally daunting. Overstepping to the limits of 'assertive nationalism', subscribed since 1980s stands quite potently at the back of the trouble.⁴⁷ In the studied opinion of Jennie Welch, the phenomenon has its root in domestic pressure first, as a byproduct of political influence of the PLA, in particular PLA AF and last but not the least, rising nationalism.⁴⁸ Worst still, as Zhao Suisheng holds, and quite a few China watchers attest in their own way, the Chinese assertiveness, as such, stemmed from rather a stratagem to "leverage its growing capabilities" to "shift global power balance in its favour".⁴⁹ In a way, it is a commentary on the real intent and purpose of China's much pronounced policy thrust of 1990s of "peaceful rise" (*héping juéqǐ*).

It laid claims and shown belligerence against each and every land and maritime neighbours. While the rationale differed, from time to time and case to case, the objectives in all such instances have instinctively been 'self aggrandizement' with a difference. As Howard L. Boorman and Scott A. Boorman, Zheng Wang, Minxin Pei and many others in the field tend to attribute in their own ways and words, it is rather a reflection in reaction to China's national psyche of *Wuwang Guochi* (Never Forget National Humiliation), suffered grievously for nearly a century while under the yoke of western powers.⁵⁰ Ostensibly outraged at India giving refuge to the 14th Dalai Lama Jetsun Jamphel Ngawang Lobsang Yeshe Tenzin Gyatso who did not submit to its whims and fancies, the PRC launched "Teach India" war of aggression in October 1962. As Ivan Lidarev and a host of other scholars in the field contended, China took advantage of the US-Soviet nuclear stand off in Cuba and flexed its muscles in

⁴⁶ In Dec. 2012, China's GDP in nominal terms stood at US\$7298.097 billion (US\$7.29 trillion). In 1980, before the PRC got to usher its present policy actions, China's GDP had crawled to paltry US\$202.46 billion. The growth has been startling for a variety of reasons including exchange rate manipulations. In 2000, for example, China's GDP ran to US\$1453.828 billion (US\$1.45 trillion). There is thus, five fold increases in a decade. In comparative perspective, China's GDP value now represented 11.77 percent of the world's total.

⁴⁷ Allen S. Whiting, "Assertive Nationalism in Chinese Foreign Policy" *Asian Survey*, Vol.23, No.8, (Aug 1983), pp. 913-933

<http://www.jstor.org/discover/10.2307/2644264?uid=2129&uid=2134&uid=2&uid=70&uid=4&sid=21101469983153>

⁴⁸ Jennie Welch, "China's Domestic Pressure shape Assertive Foreign Policy", Center for Strategic and International Studies (CSIS), Nov. 16th, 2012 <http://cogitasia.com/chinas-domestic-pressures-shape-assertive-foreign-policy/>

⁴⁹ Zhao Suisheng, "Understanding China's Assertive Foreign Policy Behaviour during the Global Financial Meltdown", *The World Financial Review* <http://www.worldfinancialreview.com/?p=409>; Louisa Lim and Frank Langfitt, "China's Assertive Behaviour Makes Neighbours Wary", NPR, Nov.2, 2012 <http://www.npr.org/2012/11/02/163659224/china-assertive-behavior-makes-neighbors-wary>; Thomas J.

Christensen, "The advantage of an Assertive China: Responding to Beijing's Abrasive Diplomacy", Brookings, March/April 2011 <http://www.brookings.edu/research/articles/2011/03/china-christensen> (accessed on Dec 19, 2012)

⁵⁰ Howard L. Boorman and Scott A. Boorman, "Strategy and National Psychology in China", *Annals of the American Academy of Political and Social Sciences*, Vol. 370, National Character in Perspective of the Social Sciences (Mar. 1967)

<http://www.jstor.org/discover/10.2307/1038060?uid=3738256&uid=2129&uid=2&uid=70&uid=4&uid=21101471677203>;

Zheng Wang, "Never Forget National Humiliation", IIAS, 32/ The Focus: Post Colonial Dialogue

http://www.iias.nl/sites/default/files/IIAS_NL59_3233.pdf; Minxin Pei, "China's Fragile Mindset", *The Christian Science Monitor*, April 9, 2001



perfect simulation to Mao Zedong's dictum that political power grew out of the barrel of a gun (*Qiangganzi limian Chu zhengquan*).⁵¹

In the same vein, much in conformity with over 2500 years old Chinese 'stratagem', attributed *inter alia* to Sun Zi of 'Spring and Autumn' period of its history, China under Deng Xiaoping invaded Vietnam on February 17, 1979.⁵² Against all evidence to the opposite, China called it 'defensive counter attack against Vietnam' (*duì yuè zìwèi fǎnjī zhàn*). As K.C Chen and a lot many other scholars hold, China's invasion of Vietnam stood apart in the annals as an "unusual development in the communist world" where a "socialist fraternal country launched war" against the other.⁵³ While it was a threat to Vietnam's sovereignty, for China, in the words of Deng Xiaoping, it amounted to be just a "spank" to ones unheeding "young friend".⁵⁴ In Zhang Xiaoming's opinion, China's decision to invade Vietnam stemmed from a variety of considerations, which included a wish to "improve strategic position" in the world around besides showing off to the then Soviet Union for its new found alliance with its foe.⁵⁵

The PRC is then locked in maritime territory (*lǐnghǎi*) disputes with one and all countries in, along and around the East China Sea, South China Sea and Yellow Sea. Nevertheless, big powerful entities such as Russian Federation and small entities like Bhutan and/ or South Korea have since been embroiled in unending territorial disputes. While each feud carried almost equal probability to unleash tension and cost heavily to the life system of the people in the region, the fast brewing Sino-Japanese stand-off over Senkaku /Diaoyu Islands could possibly spell disaster sooner rather than later. Quite importantly, as a trend analysis, carried out by several scholars including M.T Fravel put the chances of maritime spat turning critical twice more than any land boundary issue for 'military and economic reasons'.⁵⁶ This is since Islands in disputes are substantially vital to sea-lane security of the countries in question besides holding vast reserves of hydrocarbons and sea food. China has of late succeeded in nudging the Philippines while Vietnam remained a potent source of flare up. China's latest move to deploy marine surveillance plane besides putting in place Anti-access/Area Denial (A2/AD) system have literally been stoking fire.

China's maritime disputes over Paracel Islands, Sparty Islands, and Scarborough Shoals in South China Sea remain as much potent source of trouble. To buttress its cause, the PRC has been using what Ronald O' Rourke says "map of nine dashed lines, covering roughly 80% of the South China Sea" region.⁵⁷ While a burden of history as China Daily called in an article and little to do with the new Chinese leadership, especially Xi Jinping

⁵¹ Ivan Lidarev, "History's Hostage: China, India and the War of 1962", *Pacific Sentinel*, Aug. 21, 2012
<http://pacificsentinel.blogspot.in/2012/08/editorial-history-hostage-china-india.html>

⁵² In China's perspective, stratagem ostensibly stood for tactics (*zhànshù*) and war planning (*zhàn dòu jì huà xì tǒng*) deployed by the two contending sides in a military campaign. See the *Chinese People's Liberation Army Officers Handbook*, Qingdao Publishing House, 1971, p197

⁵³ K.C. Chen, "China's War against Vietnam, 1979: A Military Analysis, *the Journal of East Asian Affairs*, Vol. III No. 1, Spring/ Summer 1983 pp 233-261

⁵⁴ A month and half before China invaded Vietnam, in the course of his US visit, Deng Xiaoping reportedly quipped: Unheeding young friend called for being spanked" (小朋友不听话, 该打屁股了)

⁵⁵ Zhang Xiaoming, "Deng Xiaoping and China's Decision to go to War with Vietnam", MIT Press Journals, *Journal Cold War Studies*, Summer 2010, Vol.12, No.3, pp 3-29 http://www.mitpressjournals.org/doi/abs/10.1162/JCWS_a_00001

⁵⁶ M.T Fravel, "The Dangerous Math of Chinese Island Disputes", *The Wall Street Journal*, Oct. 28, 2012
<http://online.wsj.com/article/SB100001424052970203922804578082371509569896.html>

⁵⁷ Ronald O'Rourke, "Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress, Dec 10, 2012
<http://www.fas.org/sgp/crs/row/R42784.pdf>



and Li Keqiang duo now at the helms, it calls for a measure of understanding and sagacity lest the age old mistrust and suspicion should thwart the dawn of better tomorrow.⁵⁸ Content analysis of dispatches in the Chinese media over the period, notwithstanding suggests war of words short of real engagement of the armed forces to continue. As Li Xiushi and a lot many Chinese scholars continue to reflect on the issue, especially the ongoing Sino-Japanese row, China's old wound added to the new found glory of World power in making has been at the back its assertive stance at large.⁵⁹

While a way different in nature and character, the PRC has grouse and disputes with European Union (EU). Arms embargo following the Tiananmen incident of 1989 has been prime factor. For various reasons including US pressure and Japan lobby, the EU was not expected to lift the ban in near future. Retaliatory Chinese action to ban export of rare earths, tungsten and molybdenum has put premium on positive turn of events in the strained relationship. There is then trade dispute including carbon emission issue. Retaliatory actions by the two sides tend to spoil the relationship still further.

China-EU relations could possibly face rough weather on another count. It can trade and business competitions, most pertinently in Africa and Latin America. Sino-African trade volume had touched US\$ 166 billion in 2011. In the first months, it reached US\$163 billion. It was barely US\$1 billion in 1980s. Over 800 Chinese entities are engaged in the pursuit. Infrastructure, energy and banking sectors happen to be the thrust areas. In the similar vein, from rather a scratch, China-Latin America trade had reached US\$ 241 billion in 2011. The flip side of the development has raised rancor in the hearts and minds of EU member countries, which have had over a century old relations and stake in the regions. The story of China's business invasion into Africa and Latin America is now a household talk in EU.

Even as limiting factors as such abound, there is hope first, as the seven members Standing Committee draw on diverse professional and political backdrop and last but not the least, have commitments for institutionalization of the political system. There is yet a caveat. Not until they rise above biases, and build consensus on larger issues, bequeathed to them by their predecessors, they must not ever think of cutting the Georgian knot. There is reason for despair. Despite all big talks, political reforms, in particular intra-Party democracy has since remained a distant dream.

Future Course of Events

As the discussion in the foregoing sections bear out, the generational leadership change in China as this carries shadow of the third and fourth generation of the Chinese leadership. The fifth generation under Xi Jinping and Li Keqiang duo shall have to wait for a magic to set firm feet on ground.

Of some of the intractable challenges to the new Chinese leadership, 'corruption in public life' tops the list. This is while it counted second to 'environmental pollution' in order of precedence in the keynote address of Hu Jintao on Nov. 8, 2012. Growing 'rich-poor gap' figured next to it at the third notch.⁶⁰ In the words of Hu Jintao's held the potentials of "killing the party and ruining the country". Just four days back, Wang Qishan, Secretary of the Central Commission for Discipline Inspection (CCDI) of the CPC had called for 'intensified

⁵⁸ http://www.chinadaily.com.cn/chia/2012Diaoyu/2012-09/28/content_15790474.htm

⁵⁹ Li Xiushi, "Japan is Playing a Dangerous Game", China Daily, Oct 8, 2012 http://www.chinadaily.com.cn/opinion/2012-10/08/content_15799481.htm



action' to deal with the malaise as he feared adverse aftermath of it both to the CPC and the Chinese nation. In his address, Xi Jinping coupled corruption with alienation of the people as threat to the CPC and the nation. Inter-regional developmental dichotomy figures next to it. For known enormity of the problem, it is easy said than done.

The upper and lower limits of the change in the scenario is theoretically contingent to the propensities of new Chinese leadership to remain tied up and/ or cross over the set limits of reforms and opening up to the promises of 'no stop in reform' in the course of Guangdong Inspection tour of Xi Jinping.⁶¹ Xi Jinping termed 'reforms and opening up' as 'win or lose' option' in the realization of China's much talked about goals by 2021 and 2049. It is pertinently hard to realize until the new leadership went for rather hard to implement bold political reform. Xi Jinping looks rational in suggesting 'neither too fast nor too slow' pace.⁶² The issue is whether it was within the competence of the new Chinese leadership to hold back the expectations of already alienated populace.

In the domain of foreign relations, the challenges are equally demanding. China has land and maritime border disputes with one all neighbouring powers. There is trade and business related quarrels with European Union. Nonetheless, it is embroiled multidimensional strife with the USA. It has made well calculated best foot forward in Africa and Latin America. It can't yet be oblivious of trouble spots. While a nascent world power, the PRC has to move out from the shadow of rather archaic past.

Remarks:

Opinions expressed in this contribution are those of the authors.

⁶⁰ <http://chinadaily.com.cn/2012/11/09/hu-jintao-starts-the-xviii-congress-of-the-communist-party-of-china/>

⁶¹ Global Times, Dec. 12, 2012 <http://www.globaltimes.cn/NEWS/tabid/99/ID/749620/Xi-Jinping-pledges-no-sto-in-reform.aspx>

⁶² <http://www.theepochtime.com/n2/china-news/xi-jinping-plans-on-introducing-reforms-source-says-304122.html>



About the Authors of this Issue

Dr. Sheo Nandan Pandey, born Jan 14, 1947, served both institutions of higher learnings and the bureaucratic set up as member of Civil Services in India. He speaks several languages including Chinese mandarin. In area studies, China is his first love.



Dr. Sheo Nandan Pandey

Co-author Prof. Hem Kusum teaches Chinese Language and Culture at the Vishva Bharati University, Santiniketan, West Bengal, India.



Prof. Hem Kusum